



BY THE NUMBERS

House Committee on the Budget ♦ John R. Kasich, Chairman

309 Cannon House Office Building ♦ Washington, DC 20515 ♦ (202) 226-7270
106th Congress ♦ <http://www.house.gov/budget>

The Senior-Friendly GOP Budget

16 March 2000

Last night the House Budget Committee passed a budget resolution that strengthens Social Security and Medicare, and retires the public debt. This budget places a priority on seniors by preserving Social Security surpluses, reforming Medicare, and providing tax relief.

Protecting Social Security: The GOP budget reaffirms last year's commitment to ensuring Social Security surpluses are used *for* Social Security. Last year, President Clinton proposed spending \$57 billion of the Social Security surplus. Republicans rejected this plan.

- < This year, Republicans are again creating a "safe deposit box" to reserve every penny of the Social Security surplus and to ensure the surplus is not spent on other Government programs.
- < It reserves the entire Social Security surplus – nearly \$1 trillion over the next 5 years – to pay down the debt held by the public. This will reduce the Government's interest payments to the public thereby making funds available to pay Social Security benefits.

Strengthening Medicare: The Republican budget sets aside as much as \$40 billion of the **NON-**Social Security surplus to reform and strengthen Medicare and to provide prescription drugs for Medicare beneficiaries.

- < The Republican plan sets aside \$5.2 billion more than the President's proposal.
- < The Republican budget rejects the President's Medicare cuts. *The President takes \$2.2 billion out of the pockets of Medicare beneficiaries, increases fees by \$1.8 billion, and cuts provider payments by \$16 billion.* Republicans recognize that beneficiaries are already paying high out-of-pocket costs for health care services and reject these cost increases for our nation's seniors.

Tax Fairness: The GOP budget resolution supports full repeal of the Social Security earnings test as passed by the House. This unfair tax currently reduces Social Security benefits by \$1 for every \$3 over \$17,000 that seniors, age 65 to 69, earn. Repeal is revenue neutral within 10 years and has no impact on the solvency of the Social Security trust fund.

- < Gives seniors increased freedom and independence by eliminating an unfair tax on Social Security benefits.